

**MINUTES
SPECIAL MEETING
UTILITY SERVICE BOARD
NOVEMBER 5, 2010**

A Special Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 1:00 PM on Friday, November 5, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner

ALSO PRESENT:

Michael A. Oeding – Gas & Water Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Ken Sendelweck – Electric Commissioner
Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Ed Hollinden – Wastewater Manager

PLEDGE OF ALLEGIANCE

Chairman Wayne Schuetter led the Pledge of Allegiance.

GAS CONTRACT EXTENSIONS

Mike Oeding stated that he would like to get the extensions on both pipelines, Texas Eastern and ANR, in order to take advantage of hedging gas for next winter. These are the lowest prices Oeding has seen in years.

Sandy Hemmerlein passed out Exhibit B, which is for Texas Eastern. The effective date for this contract is September 1, 2011 through August 31, 2012. She said we are currently working with Shell Energy on this pipeline.

Oeding said with this extension, the City would lock in a lower rate, as Texas Eastern has transferred zones, which will be increasing prices. Signing the extension would keep the same rates as the City is currently paying now, which would save the City money in the future.

Hemmerlein said the Second Amendment to the Natural Gas Management Agreement and Exhibit C goes together. She said both contracts are basically set up the same, except that Exhibit B in the ANR contract is the base contract for the sale and purchase of gas with BP. This contract was always month to month and a summary was never done before.

Ron Ragan, from Utility Gas Management, said this is a change from how it was done in the past because of the tightening of the credit requirements at the banks. UGM feels like they need this document for the full term from November 1, 2010 through August 31, 2012. Ragan said this does not change the month to month contract with BP on any other gas that the City buys, but he felt like he needed to have these contracts in place for UGM.

Hemmerlein stated that both of these contracts are with UGM and not BP. These contracts let UGM know that they are allowed to hedge gas for Jasper for next winter, but they do not change any of the underlying requirements with BP. Hemmerlein said she prepared a Second Amendment to the Natural Gas Management Agreement for ANR which says Exhibit B is attached to the contract as the Base Contract for Sale and Purchase of Natural Gas with BP Canada, and a new exhibit, Exhibit C, which is a summary of the base contract with the effective dates indicated between UGM and Jasper and does not alter the terms of Exhibit B.

Hemmerlein said these changes are still within the terms of the agreements we have with UGM to be our manager. Those agreements run through August 31, 2013.

Rick Stradtner made a motion to approve Exhibit B, extension of the contract with TETCO (Texas Eastern) from September 1, 2011 through August 31, 2012. Alex Emmons seconded the motion. Motion approved, 6-0.

Mike Harder made a motion to approve the Second Amendment to the Natural Gas Management Agreement, allowing for Exhibit C. Greg Krodel seconded the motion. Sandy Hemmerlein reiterated that the three contracts being addressed today are between Jasper and Utility Gas Management and not the actual gas suppliers. Motion approved, 6-0.

Greg Krodel made a motion to approve Exhibit C, a contract extension with ANR, with effective dates of November 1, 2010 through August 31, 2012. Rick Stradtner seconded the motion. Motion approved, 6-0.

CONTRACT FOR NEXT USB MEETING

Mike Oeding said he will have another contract for approval at the next Utility Service Board meeting. He will have a NIBSI contract for approval from BP Canada Energy Company, which is their balancing arm. The City will be trading some imbalances with BP Canada Energy Company. The contract will be ready for signatures at the next meeting.

GAS CASH ACCOUNTS

Bud Hauersperger said the Controller, Linda McGovren, has been looking at the Gas cash accounts and they are falling behind again. We are moving into the time of year where we are buying and paying for gas, but will not be collecting for that gas until a month or two later. Hauersperger said we may run into some issues in January or February and he may need to set up a loan again with the Electric Distribution department to help cushion the cash accounts. He said

the gas cost of service study being done now should help alleviate this type of situation in the future.

Hauersperger said the gas cost of service study is running behind because the consultant is asking for more information that we didn't have, so the Gas Department is trying to gather the information and fill in the blanks. They are collecting the sizes for certain types of meters. Hauersperger said he does not have a definite date of when the study will be finished.

There being no further business to come before the Board, the meeting was adjourned at 1:16 PM upon motion by Alex Emmons and second by Rick Stradtner. Motion approved, 6-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2010.

Attest: _____
Secretary Chairman